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Saudi Arabia

Change, Continuity, and Controversy

The kingdom of Saudi Arabia, ruled by the Al Saud family since its founding in 1932, wields significant global influence through its administration of the birthplace of the Islamic faith and by virtue of its large oil reserves. Saudi leaders' domestic and foreign policy decisions have been fueling calls from some U.S. leaders for a reassessment of long-standing bilateral ties. The Al Saud have sought protection, advice, technology, and armaments from the United States, along with support in developing their country's natural and human resources and in facing national security threats. U.S. leaders have valued Saudi cooperation in security and counterterrorism matters and have sought to preserve the secure, apolitical flow of the kingdom's energy resources and capital to global markets. The Trump Administration seeks to strengthen U.S.-Saudi ties as the kingdom implements new domestic and foreign policy initiatives, while some in Congress call for change.

Leadership and Public Confidence

King Salman bin Abd al Aziz Al Saud (age 84) assumed the throne in 2015 after the death of his half-brother, the late King Abdullah bin Abd al Aziz. King Salman since has altered the responsibilities and relative power of leading members of the next generation of the Al Saud family, the grandsons of the kingdom's founder. King Salman's son, Crown Prince Mohammed bin Salman (age 34), is now the central figure in Saudi policymaking, having asserted control over key national security forces, sidelined potential rivals, and begun implementing ambitious policy changes. The king underwent surgery in July 2020 and is recovering.

In parallel, channels for expressing dissent within the kingdom appear to have narrowed considerably. Since 2017, security forces have detained dozens of activists, clerics, Islamist figures, and journalists representing different ideological trends and perspectives. In late 2017, authorities also imprisoned dozens of wealthy individuals (and potential family rivals of the crown prince) for months in the Ritz Carlton hotel in Riyadh as part of a nominal anticorruption campaign. Most of this latter group of detainees were released after reaching undisclosed financial settlement arrangements, amid accounts of abuse. Reports of additional detentions and questioning of leading royals in 2020 suggest that succession issues could remain contested.

Many Saudis and outside observers have expressed surprise about the scope and rapidity of post-2015 developments and continue to speculate about their potential implications. Saudi decision-making had long appeared to be relatively risk-averse and rooted in rulers' concerns for maintaining consensus among different constituencies, including factions of the royal family, business elites, and conservative religious figures. Crown Prince Mohammed bin Salman's bolder and more centralized leadership has challenged each of these interest groups, and is leading Saudis and outsiders alike to reexamine their assumptions.

Figure 1. Saudi Arabia



Source: CRS, using ESRI, and U.S. State Department data.

Vision 2030 and Social Change

The centerpiece of Saudi leaders' domestic agenda is the Vision 2030 initiative, which seeks to transform the kingdom's economy by diversifying the government's sources of revenue and reducing long-standing oil export dependence by promoting investment and private sector growth. An initial public offering of shares in state oil company Saudi Aramco raised \$26 billion in late 2019. Authorities have reduced some consumer and industrial subsidies and introduced a value-added tax. Amid some domestic criticism, authorities also have offered citizens relief payments, salary increases, and tax exemptions. Lower oil prices and reduced oil demand stemming from the global coronavirus disease-19 (COVID-19) pandemic have reduced revenue projections for 2020 and 2021.

Economic transformation has driven social change in the kingdom since the early 20th century, and the Vision 2030 initiative is being accompanied by significant changes in the state's approach to some sensitive social matters. Authorities reversed the kingdom's long-standing ban on women driving in June 2018, in part to expand women's participation in the workforce. Parallel changes have created more public space for women in some social and cultural events. Authorities have partially amended male guardianship rules restricting women's activities. Some Saudis welcome changes made to date and call for more, while others express opposition or concern about the changes' potential effects on religious and social values.

Human Rights

The October 2018 killing of Saudi journalist Jamal Khashoggi by Saudi government officials in the Saudi consulate in Istanbul, Turkey led to increased congressional scrutiny of the kingdom's human rights practices. The Trump Administration described the killing as a "horrific

act,” stated its intent to pursue accountability for those responsible, and imposed travel and financial sanctions on some Saudi officials suspected of involvement. The kingdom prosecuted some unidentified officials on charges of involvement, sentencing five to death and others to long prison terms. Saudi prosecutors cleared other suspects, such as Crown Prince Mohammed bin Salman’s former adviser Saud al Qahtani, of involvement. Some in Congress advocated for a more forceful U.S. response to Khashoggi’s killing and speak on behalf of Saudi human rights activists.

Saudi Nuclear Plans

Saudi leaders seek to recast the role of energy resources in the kingdom’s economy and plan to develop domestic civilian nuclear power infrastructure. They have solicited bids for the construction of two nuclear power reactors. The Trump Administration expedited consideration of required regulatory approvals for U.S. firms to provide marketing information to Saudi officials. Saudi officials have not forsworn uranium enrichment and state their intent to develop and use domestic resources. Saudi nuclear facilities are subject to International Atomic Energy Agency (IAEA) safeguards, though some press reports have raised questions about possibly undeclared sites. The IAEA has reviewed declared Saudi nuclear infrastructure and recommends adoption and implementation of an Additional Protocol.

Combating Terrorism and Extremism

The U.S. government describes U.S.-Saudi cooperation on counterterrorism as robust and credits Saudi officials with reducing the financing of terrorism by Saudi nationals and with helping to undermine terrorist propaganda. The Islamic State group has been highly critical of Saudi authorities and religious officials, and U.S. threat assessments judge that the Islamic State and Al Qaeda pose continuing risks to the kingdom’s security. The Saudi government’s relationship with conservative religious figures is evolving, with the state promoting potentially controversial social policy changes while enlisting religious leaders to counteract extremist messages.

“There is no place among us for an extremist who sees moderation as degeneration.”

King Salman bin Abd al Aziz, December 2017

COVID-19

Saudi authorities have imposed border closures, visa restrictions, internal curfews, and travel limits, and reduced religious pilgrimage access in response to the COVID-19 pandemic, including significantly limiting the 2020 Hajj pilgrimage. As of August 17, the World Health Organization confirmed official Saudi reporting of more than 298,500 cases of COVID-19, including more than 31,500 active cases, and more than 3,400 deaths due to COVID-19. Community spread was ongoing, and the rate of new cases had declined relative to rates in July. In June 2020, the U.S. government allowed the voluntary departure of nonemergency U.S. personnel and dependents from Saudi Arabia, citing the increased spread of COVID-19.

Saudi Foreign Policy

Iran, Iraq, and the Levant

Saudi policies toward Iraq, Syria, and Lebanon continue to reflect the kingdom’s overarching concerns about Iran and

the Iranian government’s ties to state and non-state actors in these countries. U.S. officials have praised Saudi efforts to strengthen ties with Iraq, including the reopening of border crossings and engagement on energy issues.

Conflict in Yemen

Saudi Arabia has led a military coalition of mostly Arab states since March 2015 in efforts to reinstate the government of Yemeni President Abdu Rabbu Mansour Hadi, who was ousted in a 2014-2015 offensive by the Zaydi Shia Houthi movement of northern Yemen. Iranian support to the Houthi war effort—including the provision of ballistic missiles and drones used to attack Saudi Arabia—has amplified Saudi leaders’ concerns. After a missile and drone strike on oil facilities attributed to Iran halved Saudi oil output in September 2019, President Trump deployed additional U.S. aircraft and personnel to the kingdom. As of March 2020, more than 2,500 U.S. military personnel were in the kingdom, along with air defense systems and aircraft.

Amid concern about civilian casualties in Yemen, the Trump Administration has maintained support to Saudi Arabia, but ended U.S. refueling of Saudi coalition aircraft in late 2018. The United Nations considers Yemen to be the world’s worst humanitarian crisis and cites Houthi and Saudi coalition policies as contributing factors. President Trump vetoed S.J.Res. 7, which would have directed him to end some U.S. military involvement in Yemen, and approved several emergency arms sales to the kingdom over congressional objections, citing threats from Iran.

Israeli-Palestinian Affairs

Saudi Arabia is a leader among Arab states in supporting key Palestinian demands, and Saudi leaders have engaged quietly with Israel based on shared concerns about Iran. After the Arab League and the Organization of Islamic Cooperation (OIC) rejected the Trump Administration’s peace plan in February 2020, the Saudi cabinet “emphasized the centrality of the Palestinian cause to the Arab and Islamic nation” and stated “the need to adhere to the peace process as a strategic option for the conflict, based on the two-state solution, in accordance with legitimate international resolutions, the Arab Peace Initiative and adopted international references.” In May, the Foreign Ministry voiced “condemnation of any unilateral decisions and any violation of legitimate international decisions” amid reported Israeli annexation plans. The kingdom did not immediately comment on the August 2020 Israel-United Arab Emirates normalization agreement.

Relations with China and Russia

Greater Saudi energy exports to China have underwritten new Sino-Saudi economic and diplomatic ties, leading to new cooperation initiatives. Saudi leaders also maintain substantive dialogue with Russia, including on Syria and other regional issues. Saudi-Russian coordination on oil policy has resumed following a breakdown in March 2020 that helped drive oil prices downward. Saudi Arabia buys some Chinese arms and has discussed sales with Russia.

For more information, see CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*.

Christopher M. Blanchard, Specialist in Middle Eastern Affairs

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